Key Problems in the Interaction between Donors and Civil Society Organizations

Some Evidence from HIV and AIDS Work

CHRISTOPH HAUG
Key Problems in the Interaction Between Donors and Civil Society Organizations in South Africa

Some Evidence from HIV and AIDS Work

Christoph Haug
Preface

The Center for African Studies (CAS) at the School of Global Studies at the University of Gothenburg has added international development cooperation to its sphere of teaching as well as research. A masters programme ("bredd-magister") on African Studies with special emphasis on international development cooperation was launched in 2005/2006 and 2006/2007. As part of the Bologna Process the programme was integrated in the joint two-year master programme of global studies from September 2007.

Teaching materials with special relevance to Swedish and European development policies are not readily available to the extent that is required. To fill the gap, we at CAS have decided to produce a series of smaller publications called “Perspectives on…” The material is mostly published in English but some material is available in Swedish. The Perspectives are available on our Website. If there is a demand we also publish a limited number of hard copies.

This Perspective, authored by Dr Christoph Haug, is a report from a research workshop with South African civil society organizations that took place in Durban in March 2012. The workshop formed part of the Sida/SAREC-funded research project Governing AIDS through aid to civil society: Global solutions meet local problems in sub-Saharan Africa. The author wants to thank the participants of the workshop for taking their precious time to share their experiences and for their patience in waiting for this report to come about, the staff of “SAAAAP” for their invaluable help in organizing the workshop and reaching out to CBOs across the country, and Sara Haug Andersson as well as his colleagues Måj-Lis Follér, Beniamin Knutsson, and Håkan Thörn, for their feedback and encouragement.

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AGM</td>
<td>Annual General Meeting</td>
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<td>ANSA</td>
<td>Artists for a new South Africa</td>
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<td>CBO</td>
<td>Community Based Organization</td>
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<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<td>EPWP</td>
<td>Extended Public Works Programme</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>LGBTI</td>
<td>Lesbian, Gay, Bisexual, Transsexual, and Intersex</td>
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<td>Misereor</td>
<td>Misereor - Katholische Zentralstelle für Entwicklungshilfe e.V.</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>OMD</td>
<td>Obsessive Measurement Disorder</td>
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<td>RNE</td>
<td>Royal Netherlands Embassy</td>
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<tr>
<td>PEPFAR</td>
<td>The U.S. President's Emergency Plan For AIDS Relief</td>
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<tr>
<td>SAAAAP</td>
<td>The South African Association against AIDS and Poverty (pseudonym)</td>
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<td>Sida</td>
<td>Swedish International Development Cooperation Agency</td>
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<td>TAC</td>
<td>Treatment Action Campaign</td>
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<td>US</td>
<td>United States [of America]</td>
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1 Introduction

On 23 March 2012 representatives from 14 civil society organizations from 6 South African provinces came together for a workshop to discuss their experiences with donors. The workshop was organized by a research team from the University of Gothenburg (Sweden) in collaboration with The South African Association against AIDS and Poverty (SAAAAP). The research team included Maj-Lis Follér, Christoph Haug, Beniamin Knutsson, and Håkan Thörn who collaborated in a research project entitled “Governing AIDS through aid to civil society: global solutions meet local problems in sub-Saharan Africa”. SAAAAP is an intermediary organization whose main activity is to channel funds from international donors to Community Based Organizations (CBOs) across South Africa and to provide training and support for these organizations.

1.1 Workshop aim

As part of the research project, the aim of the workshop was to learn about the realities of the organizations implementing various programs to fight HIV and AIDS and to mitigate the disease’s impact on the lives of communities. At the same time, the workshop was designed as a “Learning and Sharing Workshop” to provide a space for the participants to learn from each other by sharing both positive and negative experiences, to identify common problems and to raise these issues in a session with representatives from SAAAAP as their “donor” and to hear SAAAAP’s response.

The purpose of this report is to provide a short summary of the points of concern that the workshop participants identified and illustrate them with some of the stories that they told. This means that it does not provide an in depth analysis of the issues raised. Such analyses will be published elsewhere and can be obtained from the author when ready.

The report is aimed at decision-makers in all donor agencies and development practitioners who take the notion of “partnership” seriously and who are willing to learn from the concerns raised by implementing organizations. It would be a great success of this workshop, if this report would lead to some changes in the routines and practices of development cooperation. The report can also be used for educational purposes in classes discussing donor-recipient relationships or development cooperation more generally.

1.2 Workshop participants

The workshop participants have been promised that neither their names nor that of their organization will be revealed. This was to create an atmosphere where no one needs to fear sanctions from donors or any other institution that they may depend on. Suffice it therefore to say that the organizations were selected to represent the variety of donor programs administered by SAAAAP as well as the geographical diversity across provinces. The provinces that were represented in the workshop were Eastern Cape, Northern Cape,
KwaZulu Natal, Northern Cape, Limpopo, Free State, and Gauteng. 12 organizations were CBOs and 2 of them national NGOs working closely with CBOs. These organizations received funding from a large variety of international donors, including the Royal Netherlands Embassy, Swedish International Development Cooperation Agency (Sida), Artists for a new South Africa (ANSA), Irish Aid, CDC/PEPFAR, Bread for the World, Misereor, the Elton John AIDS Foundation, Canadian International Development Agency (CIDA), as well as national and provincial government departments.

The funds that the participating organizations received from SAAAP in the 2010/11 financial year ranged from R72,000 to R552,000 (average R270,000) in the case of the CBOs and up to R3,167,000 in the case of the NGOs. The services provided by the organizations ranged from human rights work to home based care, operation of cyber cafés, paralegal advice, HIV counselling and testing, services for orphans and vulnerable children, education on LGBTI rights, and awareness raising among rural men and initiation schools\(^3\), as well as training and technical assistance to government on gender issues.

Although SAAAP is itself largely dependent on funding from international donors, its role in the workshop was that of a donor channelling funds to the participating organizations (sub-granting). SAAAP was represented by its CEO Emma Peters, program manager Melusi Mbeki, project officer Sandile Mswati, and finance officer Jade Gupta. These names, as well as those of the other workshop participants in this report, are pseudonyms.

\[
\text{2 Workshop program and data processing}
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The workshop took place at a conference hotel in Durban from 8:30 to 16:30 (23 March 2012). It was divided into four main sections:

1. Introduction [WS1]
2. Discussion and sharing experiences in 4 focus groups [FG1–4] based on two questions:
   - What is functioning well in the relation between your organization and the donor(s) from which you have received (or tried to receive) funds?
   - What are the more problematic sides of this relation (disappointments, challenges, misunderstandings etc.)?
3. Report back from the groups and identification of key issues [WS2]
4. SAAAP responds to the key issues and final discussion [WS3]

\(^3\)An initiation school is an organization of traditional surgeons, nurses, and healers who perform initiation rites with boys for transition into manhood. These rites include teachings about how to conduct oneself as a man and are often connected with a (partial) removal of the boy’s foreskin, but practices vary greatly between tribes.
During sections 1, 3 and 4, all participants were in the same room, while the focus groups in section 2 were held in groups of 3–4 people in different parts of the hotel. Each of the parallel focus group sessions lasted 1½ hours and was facilitated by one of the researchers mentioned above. The plenary sessions were facilitated by the author of this report.

SAAAAAP representatives were not present during sessions 1, 2, and 3 in order to allow the participants to articulate their concerns freely and without fear of negative consequences. We designed the workshop in this way not because we had any reason to believe that SAAAAAP would react negatively to criticism from their partner organizations, but because the participants might nevertheless fear such reactions since many of them are entirely dependent on the funds they receive from SAAAAAP. By inviting SAAAAAP to join us only for the final session (which lasted 2½ hours), we managed to separate the process of identifying common problems and articulating them vis-a-vis SAAAAAP. The initial presentation of the key issues in the final session was done by the author based on the flip chart summaries produced in the preceding session, and participants then complemented and refined this summary. We also explained our role as researchers and that we were not representing any donor agency let alone in the position to influence any concrete funding decision.

All sessions were audio recorded and transcribed. These transcripts serve as a basis for this report and the quotes given below are from these transcripts. Each quote is attributed to one of the sessions, using the acronyms given in parentheses in the program above.

The transcripts are verbatim transcripts of what people said, including unfinished sentences, inaccurate grammar and other characteristics of spoken language in order to provide an authentic evidence for the claims made in this report. Editing out words that seem irrelevant or changing the grammar of the sentence to make it sound more like written English can easily distort or narrow down the meaning of what was said to support the argument of the researcher and exclude other possible interpretations. Transferring spoken accounts into written language always entails a specific interpretation of what has been said, and providing authentic quotes allows readers to make their own interpretation.

However, presenting unedited, verbatim transcripts in a report can also be a nuisance to the reader, for whom it can be difficult to grasp what an interviewee was saying without knowing what she said earlier in the interview or without actually hearing her speak and understanding her speaking style. What we intuitively understand when we are in the situation sounds strange when we read it written down.

In order to strike a balance between authentic reproduction and easy reading, some of the quotes provided in this report have been slightly edited. In doing so, omissions have been marked as . . . in the case of short omissions (less than a full sentence) and as (...) in the case of a full sentence or more. Dashes (--) indicate that the speaker did not finish the sentence. Words that were difficult to understand because of interfering noise or unclear pronunciation are given in parentheses such as: (word).

In some cases it seemed necessary to add words that were not actually said but which could be heard by the participants based on their knowledge of the situation. This is because as listeners, we tend to fill in missing words that the speaker omits (for whatever reason) but which are not necessary to understand what is being said. If taken out of
context, such utterances sometimes become difficult to comprehend because, as readers, we do not have all the information that was available to the listeners in the original situation. Adding words to the transcript can compensate for this. If words are added in this manner to provide necessary cues for sense-making, these words are given in square brackets [ ]. Triangular brackets are used where the original name is concealed and replaced with triname of organization.

The workshop was conducted in English. In one focus group, isiZulu and seSotho was spoken over short periods. These episodes were transcribed in these languages and translated into English.

3 Results

The workshop sessions were inspiring for both the researchers and the participants. One important lesson for the researchers was that while they are trying to identify problems in relation to international donors, most organizations face much bigger challenges when working with government departments in South Africa. Among the participants, there was a degree of enthusiasm about the opportunities that such a workshop provides and they found that there is a need for more communication and exchange among the implementing organizations so that they might be able to confront donors on issues where one organization alone would be powerless. They also called on SAAAP to keep them better informed on new developments and trends among donors as well as about why funds are delayed.

The following sections outline the key issues that were identified by the participating organizations and that need to be addressed by funders. The issues where identified in two steps in the course of the workshop: in a first step, we collected the voices from the implementing organizations and identified which problems were commonly mentioned (sections 1–3 in the program).

In a second step we were joined by representatives from SAAAP who responded to the issues raised (section 4 in the program). The aim of this discussion was to identify which of the problems could be resolved between SAAAP and its implementing organizations and which ones need to be addressed at a “higher” level. In most cases, it became evident that SAAAP was itself bound by donor requirements, which means that there are great opportunities for donors to help improve the work of these organizations by going beyond the provision of funds and training and addressing the following issues.

3.1 Selective funding and diverging of attention

The funding opportunities provided by donors are often focussed on selected problems and thereby force organizations to diverge their attention from the programs and strategies that they have developed over the years and perhaps even from their very mission statement. While some organizations sometimes have the confidence and the resources (from other funders) to “say no” to the money or to negotiate better terms, most of the time it is the donor that determines which problems in the community that should be
addressed and how. It often happens that the donor funds are dedicated to achieving a very specific outcome such as testing a certain number of people, while no funds are available for follow-up activities for those who are tested positive.

Nomusa: With PEPFAR . . . when we had a meeting with ⟨name of organization⟩ and [they were] telling us ukuthi (=that) “This is needed, this is needed.” We said: “Okay, good guys, good people! If we test 5,000 people, we will be causing a big problem! Who is gonna follow up with these 5,000 people after that?” Because we need to follow them after that. They need counselling, they need— [If] you test somebody, thereafter you need to follow up with her, you need to follow up, go through [the results] with her, go through! Then [we said] “How are we gonna do this?” [They answered] “You are not.” And then we said “Thank you, we are not going to take the money from, from PEPFAR”. So we were left out because we couldn’t reach the numbers that they were needing.

The idea of the donor program may be that these people will visit the clinic and receive help there, but in many communities, more assistance is needed to ensure that people actually do go to the clinic. CBOs know this and would like to design their programs and projects according to the local needs, but are often prevented from doing so by preordained or narrow donor programs. Bhekabantu recounts a rare instance where an implementing organization actually declines to take money from a donor because it does not allow them to conduct their work in the holistic manner that they want to, but many CBOs are not in the position to refuse funds and are thereby geared away from their original goals and strategies, as the following conversation among CBO leaders illustrates:

Bhekabantu: We wrote a proposal to PEPFAR requesting funding on HIV and AIDS for an awareness campaign. Prevention, all those things. . . . [And] we included in our proposal a children’s programme. So PEPFAR came to our office and said, no they are not going to fund all this but “we are focusing on children’s programme only. So within this children’s programme we want you to develop a proposal . . . of income generating projects. We will only fund you if your proposal is talking about income generating projects only. Not prevention, nothing else but income.” Ya, that is what they said.

( . . . )

Facilitator: So then what did you do?

Bhekabantu: No we did that. (laughs)

Jabulile: Ya! You divert! Because you want the money, any amount of money that comes!
Bhekabantu: And it was easy to divert because ... it was [already] one portion of our proposal.

(...)

Jabulile: But the thing is then that you have to forget about what you're already doing and also what you're known to do, because it's not only you as an organisation [that needs to survive] but the people know you for that!

While donors often claim that they like to work with CBOs because they are “close to the people” and familiar with the needs of the community, in practice, they tend to be much more prescriptive, often dismissing or ignoring local knowledge:

Nomusa: Those who are writing these things, they are not in especially the rural [areas], they are not there! They just make decisions where they are. [They think] ukuthi (=that) “Ay, this is possible, they can do one, two and three. It can happen.” ... It goes back to what you were saying, that when these contracts are being developed, they need– we need to be included, so that we'll tell ukuthi “m-m m-m [no]! The way you have said? No, it won't happen where we are from.” ... It means that you, even if you are not safe where you are, they don't care. They need the numbers, that's what they need!

SAAAAP CEO Emma Peters explains that this trend is bound to continue because donors as well as government departments are moving away from awarding grants to service level agreements. She observes that there are less and less calls for applications where you are afforded the opportunity to apply for funding for your own programmes. All donors now are moving in the direction of service contracts as opposed to awarding grants, and they will put a call for applications which has a predefined scope of work. ... [They will say:] Here's the Terms of Reference, these are the results we expect, and this is how much money you're gonna get and how you need to spend it.

The only current exceptions to this trend, she says, are Sida, Irish Aid, and Royal Netherlands Embassy (RNE), whose funds still allow “a bit of flexibility”, although Sida is also adopting more bureaucratic practices, as we will see in the next section.

Emma: So, obviously, as you get more and more of a predefined scope of work ... that sort of independence that an NGO had or the ability to interpret a programme in a particular way and implement it in a certain way is sort of compromised. So that's why I'm saying that we-- what we're being forced to become is more like service providers.

And given what we have seen above, one may add that it is the donor who defines the services to be delivered, not the beneficiaries.
3.2 Delayed funding and financial risks

Many CBOs complained about delayed funds making it difficult for them to do their work. It appears to be the rule rather than the exception that promised funds do not arrive until weeks or even months into the grant period. SAAAAP explained in some detail that the delays are due to the fact that donors are not releasing the funds for the next term before they have received and reviewed audited reports for the previous term. “Previously they would sometimes say, okay we’ll remit you a portion of the second tranche, [but] the balance of the second tranche won’t come through until we’ve got that”, i.e. the audited report. Sida is mentioned by Emma Peters as an example of this trend among donors:

Emma: [In] our previous contract with Sida, . . . they would release the next tranche of money before they had those things, but now they don’t. . . . At one stage Sida’s money was deemed to be sort of soft money in the sense that they were a lot more accommodating and flexible. Sometimes they would release your money just because they were satisfied that you had submitted a unaudited [report]. You know, (if you’d say) “in the mean time, while it’s being audited, here’s something, in the interim, a financial report”, they’d be happy. But now it’s become quite a bit more bureaucratic. So maybe in the past, based on the signature of the people at the embassy in Pretoria, that were satisfied to say, “look, go ahead and release it”. But now, it’s got to go through to Sweden and . . . it’s not as flexible as it used to be.  

Jade Gupta, one of SAAAAP’s accountants, explains what the insistence on audited reports means in practice:

Jade: Generally, the problem is [that], because the donor wants one report, we have to wait for all the organisations to give us feedback [i.e. reports, CH]. [Then] I do an audit, I check each and every slip for all 5 organisations. From there it goes to [the] auditors. They’ve got to make sure what I’ve done is correct. ( . . . ) They generally take a turn around period [of] about a month and a half to two months, depends on their workload. ( . . . ) [Then] they have to send it to us, we review, we send it back to them. Once it’s finalised we send it to donors. So when the donors received it, they need to review it and they need to say if they accepted it or they’ve got queries on what we’ve sent to them. So if they’ve got queries then they’re sending it back to Madira and I. We’re reviewing all the queries and we are answering their queries and then sending it back to them. So on final acceptance, do they say “yes, we satisfied with this”, we’ll give you your next tranche of funds.  

In the case of the Misereor grant, reports have to be submitted every six months. Given that it takes about 2 months for SAAAAP to receive and consolidate the incoming reports
from its partners and another two months until the consolidated report has been audited, this means that the implementing organizations can effectively only work about half the year while waiting for funds the other half, unless they are willing and able to advance the money and take the risk of not being refunded. And as Emma Peters points out, “not every organisation has got sort of unspecified reserves that they can dip into.” She goes on to illustrate how implementing organizations can never be sure that the next tranche of money actually arrives, even if they have a contract that gives them confidence:

Emma: You know, there was that project that was expecting money from the EU, they were expecting their next tranche and so they dipped into Irish Aid’s money to finance activities. Then they EU said: “we’re not giving you any more. We’re actually not too impressed with your work and your report, hence we’re terminating this.” Now [in the] mean time they [the project] had gone and taken Irish Aid’s money to use, and then Irish Aid were all over them and they closed down. So one’s got to be careful into what monies you can dip to keep the wheels turning because even though you might have a contract, if for whatever reason the donor might say “no, no! We’re not going to continue funding (name of organization) because we’ve looked at their ... finances and we’re not happy, we’re terminating it.”

One of the participants recounts that they had tried to get a bank loan based on the grant agreement but the bank refused to take the risk. He suggested that perhaps SAAAP would be able to get such a loan for its partners, but Emma Peters explained that SAAAP had tried this in the early 2000’s when a EU grant agreement stipulated that the final 20 percent of the funds would only be released after all compliance reviews and audits were done: “the banks weren't interested in those grant agreements”.

Participants also suggested to find ways of sharing the risks with SAAAP, but as Jade Gupta explained, they had to learn the hard way that this cannot be the rule:

Jade: A long time ago SAAAP used to take the risk and we used to give monies to our organisations when we didn't have it, until we got burnt by one of our donors and we had to write off a debt of 500,000 that they kept promising that they would give us and eventually they didn’t give to us. So it was after we learnt that lesson did we say, we can only give you what we have. And a lot of you guys would realize that even in your contracts you say, you gonna get ... the Rand⁴ equivalent to so many Euros or the Rand equivalent to so many Dollars, because from that experience we learned that we can only give out what we've got.

What Jade refers to here is that most international donors provide grants in their own currency rather than the currency of the recipient country, which means that—in addition

⁴Rand = South African Currency
to the problem of delayed funds—recipients have to carry the full risk of losses due to
currency fluctuations while donors usually stipulate that currency shall not be retained
by the recipient but have to be returned to the donor.\footnote{In the case of the South African Rand vs. the Euro, for example, the exchange rate has seen changes of as much as 20 percent with in one year—both in terms of losses (January 2009 – January 2010) and gains (January 2013 – October 2013). (Source: http://www.xe.com/currencycharts/?from=EUR&to=ZAR&view=10Y)}

One of the CBO directors, Paul, concluded that they were trapped in a system that needs
to be changed: “It’s a system! I’m frustrated sitting here listening, it’s a damn system!
Let’s change the system! It affects us, it makes us risky, we close down, we don’t have the
money. So we got to fix the system!” The experience of the workshop, of hearing that
CBOs from across the country are struggling with the same problem of delayed funds
and to understand the cause of the problem has created some enthusiasm about solving
the problem. There will be no money to do good work “until the system gets changed by
human beings.”

However, this enthusiasm was soon dampened by Emma’s observation that

Emma: [t]he problem is that part of the system . . . happens in Stockholm,
for example, or in Washington, or wherever. Because [here’s] what
some of our board members said: “no, you must go and tell them
[about these problems]”. I said, “you know I can go there and cre-
ate\footnote{slang for “making a scene” or making a noise, complaining and arguing.} in front of the ambassador, [but] they’re not going to take me
seriously because the rules are not made there. The rules are made
back in Stockholm or in Washington or wherever.” So sometimes
our ability to influence their making rules [is limited], or in the
same way sometimes you say to government [that they should
change things] and they’ll say “no, it’s the Public Finance Manage-
ment Act [that binds us]”. These governments [in Stockholm etc.]
have the equivalent of Public Finance Management Act . . . and
consequently the rules get sort of passed down.\footnote{One might claim that sharing risks with top performers does not help the weaker organi-
izations that might be most severely affected by those risks, as implied by one participant
who pointed out that a medium size organizations with multiple donors may “end up
with no money to be paying (part of the people). If you’re a smaller organisation like
(name of organization), it could fold. Because you just can’t keep going on nothing, you
know. People’s staff need to be paid to be able to pay their bills. It’s—”}

The only solution that the participants in this discussion could find was hence one that
leaves “the system” untouched: SAAAAP agreed to explore ways of sharing the risks with
its CBO partners. But also here, Emma had to dampen expectations
to what extent we’ll be able to do it. We might only be able to do it in
certain instances, and we might only have to say: “well, we’ll do it for our top
performers”, in the sense— or the ones that are most reliable. I don’t know.
At this point, however, another participant made a notable interjection:

Paul: That's why your term “top performers” is quite nice, because it's about not treating everyone the same. You told me one NGO defaulted and then you made a decision. Now I would say, okay, I respect that decision. But revisit it now. I'm just saying, is that—Because trust is what we all try and base it on! [others: Absolutely] And we know the trust environment is low. [other: Very!] and I'm being vulnerable to that and saying let's try and build it, let's try and—Ya, we want to help deliver.

Rather than challenging the idea of giving top performers extra support, this participant seems to be rather delighted with the idea. His reasoning is not entirely clear, but he seems to argue that if SAAAAP wants to support “top performers”, then it ought to reconsider a previous decision to stop funding an organization that defaulted, because that organization might in fact have been a top performer. If this is his argument, then what he is implying is that only top performers are in fact worth being saved from bankruptcy because those who are performing less well are not sufficiently contributing to service delivery anyway.

Perhaps without realizing it, this participant has changed his position from wanting to “change the system”, as he said, to reaffirming it by endorsing the systematic delay of funds as a mechanism for selecting the best performing organizations. In this strategy, SAAAAP’s role is reduced to ensuring that the fittest actually does survive rather than falling prey to the system. This wholehearted endorsement of the system logic becomes explicit when Emma tries to to clarify what she meant by “top performers” in direct response to Paul’s above statement:

Emma: Ya, but when you talk about the top performers, they're the people that are compliant, you know?

Paul: Absolutely! If we're late with our reports, you know, don't give us the tranche [of money]. Absolutely!

Emma’s clarification seems to be aimed at the apparent misunderstanding that an organization can default and be dismissed but nevertheless be a top performer (in terms of service delivery), as Paul seems to imply. In her view, performance is the same as compliance, which implies that SAAAAP cannot be merciful with defaulting organizations.

Emma’s view is different from Paul’s, but it also remains within “the system” and endorses it from another angle, namely that it is not the actual service delivery that counts but that these services are delivered according to the rules set by the donor (compliance). One could also say that according to this view, it is not the results that count but the reports about the results, since the reports are used to assess compliance and the compliance assessment is prioritized over the actual implementation work as is clearly the case when implementation is put on halt while reports are audited.

In the next section, we shall return to an issue that was already mentioned in the participant quote above: trust.
3.3 Short term contracts and loss of trust

As quoted above, participants emphasized their will to base their work on mutual trust while simultaneously acknowledging that “the trust environment is low”. A loss of trust was reported at several levels: Firstly, the reporting and auditing practices described above are experienced as a loss of trust, not only between donors and recipients but also within donor organization, as when local representatives of the donor agency in South Africa are no longer in the position to give the “green lights” for funding to be sent through. Rather than trusting their own employees, the head office trusts the external auditors that have to confirm reports before funds can be released. It is worth noting that this development seems to be less a matter of decline in interpersonal relations of trust, but rather the result of changes in formal rules by head offices.

Secondly, there is a high degree of insecurity regarding the flow of funds. Staff of implementing organizations find themselves in a precarious situation where they constantly need to decide whether they should hang on with their organization and hope for funds to arrive or whether they should look for employment elsewhere and thereby indicate that they no longer “believe in” their organization. Similarly, the managers of the organization have to make decision, often on a month to month basis, whether to keep their staff on the payroll while waiting for funds to arrive. This concerns both funds for existing contracts (see above) and funds that could result from the extension of a contract or a follow-up contract which has been announced but not yet formalized. Keeping staff in the waiting loop based on vague promises or simply hope is common and if expectations are not fulfilled, this eventually leads to a loss of trust on the side of employees vis-a-vis their organization (more about this below).

The third domain where loss of trust was reported is the relationship between recipient organizations and the communities for which they work, i.e. the beneficiaries. Both the shift of priorities in an organization’s work (as mentioned above) and the sudden end of service delivery due to the unexpected decline of funds can lead to questions and rumours about whether the organization is really dedicated to the needs and priorities of the community.

The latter two points were illustrated with a recent initiative by SAAAP to use some of its CBO partners to administer the Extended Public Works Programme (EPWP) being rolled out by the South African Government. Having lost a large grant from the Dutch Embassy, SAAAP decided to look for other funds that would help its partner organizations sustain themselves. When it eventually had secured funds from the EPWP and informed the CBOs about the opportunity, this caused some confusion, firstly because the decisions and work assignments had to be made at short notice, and secondly because this kind of work was unrelated to what the organizations had been doing before.

In the discussion it became clear that some of these problems could have been avoided by timely communication and keeping partners informed and SAAAP admitted that

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7The grant built on a five year programme agreed by both sides, but the formal grant contract was only for three years with an informal promise to extend it for two more years. Two years into the contract, the embassy announced that the grant will end after three years and asked to modify the work plan accordingly.
they should look into that. Yet, it is also clear that as long as SAAAAP has to react to spontaneously arising opportunities and ad-hoc modifications in existing agreements, improved communication will only help to cope with the problem but it will not solve the problem itself. The description of a well functioning donor recipient relationship given by one participant illustrates the importance of trust and she indicates that trust goes hand in hand with professionalism and clear instructions and guidelines:

Bonnie: I think what functions well for us is when we have donors who are well organised and who understand our work and respect and trust us. I think those are the key things, really, and we've certainly had … all of that with one donor and it's been fantastic. And there's mutual respect, we both see each other as professionals and we learn from each other … And, you know, in terms of just their site visits, their workshops, their reports, we are always informed in good time, we're always given very clear instructions and guidelines. We can plan our life and we know exactly what to expect from them and they know exactly what to expect from us and it's just been a really great relationship all-round. (…) In terms of raw reporting, financial and narrative and that kind of thing, we have very, very clear guidelines. We have dates from the beginning of the year so we know exactly what's expected throughout the year from us. We can plan it and, you know, obviously we have everything in place so— And [that's] because we've had a professional guidance and support.

The kind of trust that Bonnie describes, however, is often undermined by the common practice of international donors of awarding short term contracts while informally promising that the contract will be extended, as illustrated in the case of the RNE grant above. Short term contracts allow donors to change the terms at regular intervals, including the possibility of terminating the collaboration.

And although international donors tend to schedule site visits weeks ahead, the author of this report has witnessed an occasion where a European donor representative announced on a Friday that he would arrive on site the following Monday. And the degree of understanding that these visitors have for the conditions on the ground varies to a great extent. The presence of SAAAAP officials during the visit is therefore a useful way of bridging the two worlds of donors and implementers.

Finally, it is worth mentioning that trust is not only appreciated in the sense of professional reliability and coherence as the CBO director above described it. Workshop participants also agreed that despite the abundance of formal procedures, interpersonal relationships are of crucial importance. One participant recounted how they obtained core funding for their organization:

Eileen: What happened was: the Steven Lewis Foundation asked us to take them [representatives from a foreign organization] out on a trip because we're quite near Durban so that we often get asked to take
people around. And on the way back—we were in two vehicles—and on the way back [we] stopped on the bridge and the young man that was our voluntary fund raiser got out and said [to me]: “These people want to fund me to go to ⟨name of country⟩ and do a presentation at their AGM” and from that, I think they sent us 750,000 Rand. I mean it’s like out of the blue, no proposal, no reports. That was like core money for us. cog

Although this is a positive story for the organization involved, it nevertheless illustrates the fundamental uncertainty to which implementing organizations are exposed. To obtain core funding for your organization seems to be a matter of luck and coincidence rather than anything else. It happens almost as a miracle that you can hope for but not actively bring about. The inability to obtain core funding in a systematic way was another topic of concern raised in the workshop.

3.4 Lack of overhead and core funding

According to the participating CBO directors as well as SAAAAP management, donors are very reluctant to fund overhead costs, let alone to provide core funding outside of specific projects or programmes. Core funding is funding granted to stabilize and sustain an organization in the long term (for example funding for the buildings, vehicles and other large assets) but also for continuous expenses that are not directly incurred by a specific project but are required to maintain the organization as such (administration, fundraising, maintenance). In order to cover these overhead costs, organizations (both SAAAAP and its CBO partners), are forced to engage in profit making activity or simply to rely on voluntary work and unpaid labour. SAAAAP finance manager Madira Kapoor explains that

Madira: some donors will only give us 7 percent, between 5 and 7 percent, towards expenses. And when you look at a budget, for example—you know there’s always the back-and-forth when it’s proposal phase—and we’ve said “okay, this is how much this project will cost”. But if they want to cut down on cost, they still want us to maintain the project level of expenses. But the first thing they look to cut is, to reduce that person’s salary or reduce this cost or reduce— … They’ll mainly want us to reduce in the infrastructural, indirect overhead costs to be able to meet their budget, which is unfair because you need to do the same level of work but at a lower overhead level. And if you want a quality product at the end of the day, that’s difficult to achieve.

At the level of the implementing organizations, the pressure to cut overheads and salaries often leads to health care workers not even receiving medical aid benefits because they work on stipends rather than salaried positions.

―This section also draws on interviews with SAAAAP managers
Bonnie: We had really a lot to say around this issue, that it’s an ongoing, burning core problem for projects. It’s that Donors won’t allow us to pay people who work at the project, who are the service providers. And I think, again, Nomusa mentioned it, [we work at] NGOs who have no medical aid, you know, have no pension fund, who have no benefits, nothing. . . . I have a background and education, so do you and so do you, so many of us come from professional backgrounds where we’ve let go of all those benefits. We’re earning 5–10 times less than we were before and yet we working 100 times harder, and it’s just to get, you know, donors to understand this. That, you know, people need to be paid properly for what they’re doing. So it was a very big issue that came up [in our group discussion].

It appears that while donors are demanding that the work they are funding is professionally done, they are rather unwilling to pay for that work. While the participating NGO directors repeatedly mentioned the importance of paying their staff, donors make it difficult for them to do so because they are interested in producing short term measurable outputs and therefore prescribe budgets that will produce such measurable outputs:

Bonnie: We all found that donors come with these budgets that are quite prescribed. They’ll say, “oh, 10 percent you can use for staff costs, 80 percent for community activities and maybe 10 percent for admin”, and, you know, this is just a burning, burning issue. I think for all of us—and I haven’t only heard it at this conference—I’ve heard it time and time again in the NGO field: they are more interested in money going to beneficiaries than to the service providers. Now, for example for us, we have 55 people working at ⟨name of organization⟩. (…) 54 people who work at our project are from ⟨name of area⟩. They all come from deep rural homes with problems and they are the ones who are capacitated to deliver the services. Without them there would be no services. And it is this ongoing challenge to get donors to understand that staff costs are actually where the bulk of the money should be going and they are fixated on– They want to see the money going into food parcels for children but, you know, who is gonna buy the food parcels? Who’s gonna do the home assessments? Who’s gonna deliver them? Who’s gonna– It takes people, you know, and skilled people!

Several other participants raised similar concerns with donors being increasingly interested in short term, measurable results:

Nomusa: [They are] mostly interested about how many are– “Give me the statistics!” “What’s the numbers?” How we work, what the situation is around, there they don’t even listen to that!
Bonnie: Donors always want to know beneficiary numbers. Fg4

Given this reluctance to fund overheads, it is somewhat ironic that some donors, especially from the US, seem to be more inclined to fund staff that enters data into the reporting system (data capturers) than implementing personnel:

Julia: We didn't apply for PEPFAR when the big PEPFAR money came. I refused to apply because they were trying to push us in a direction that I said “we don't want to go there!” They required a full time data capturer! They wanted to have numbers, numbers, numbers, [it was] not about quality. And we're about quality, not quantity. We're reaching 5,000 children in various means, but we wanted to make sure that the service that we give is holistic so that the children we touch are meaningfully affected, not just this thin layer along the top. So we wouldn't play the game. But then one of the staff applied for USAID money, a much smaller amount of money, 100,000 [Rand] … it's not a big thing. What I object to is: the first thing they wanted to do is to put their big plaque on the front of your door. And there'll be people giving zillions more than them who don't require that recognition … That annoys me. Fg2

Organizations pursue different strategies to deal with the lack of core funding and divergent donor priorities. Some organizations consciously engage in profit making activity:

Paul: Our board are deciding strategically to earn 15 percent of [our] budget. (…) We now offer training. So we have a partner in Cape Town who pays us 170,000 Rand this year to train bakers. So we train for profit. … We've also partnered with a local business to make ribbons that tie around a product, and we've made 120,000 out of that. … We're earning five percent of our budget this year. Fg2

Julia reports similar income generating activities:

Julia: We have got two rondawels which are volunteer houses which we've upgraded so they're rented out as B&Bs and … we got a [Toyota] Quantum which we rent out for trips, and we got a charity clothes shop. So we sell clothes. We also run functions. Fg2

Other organizations, in contrast, consciously try to avoid such distractions into other domains by staying small because having only a few staff reduces the pressure to generate funds to cover their salary:
Pam: A reason to stay small is that you actually can stay with your focus. Because if you have a whole lot of people employed and you can’t stay with your focus, you actually also think then about your staff and your people [and how] to maintain them. So then you would divert and say “we do something else now” because we need money, because we need to pay the stipends at the end of the month.

Another participant who pursues a growth strategy replied to this by saying “You’ve got a point there but it depends on what your vision is.” And indeed: there seem to be different ideas at stake of how and why to run a non-profit organization. On the one side we have those who are primarily oriented towards the needs of the community for which they work and the specific services that they want to provide. On the other side we see those who have adapted a more business-like model which is oriented towards a market where the organization competes with other organizations. While this market orientation may, at first, be motivated by the organization’s goal to improve the lives of communities, the step into the market is clearly a step away from the community because once the organization follows the market logic, the needs of the community will only be met if there is a market for them, i.e. if donors are listening to communities and provide funds to address their needs.

As we have seen in this section, the aim to address the needs of the beneficiaries through results based reporting yields some adverse effects in that the donors’ unwillingness to fund overhead costs—apparently in order to maximize results for the beneficiaries—actually pushes implementing CBOs to adopt a market-oriented logic that drives them away from the very beneficiaries they set out to serve. It is not by chance that the participants quoted relate their lack of core funding to what Andrew Natsios, former Head of USAID, called “obsessive measurement disorder (OMD)”9 After all, it is quite obvious that the so called focus on results is much more a focus on reports, and a specific type of reports at that—as we will see in the next section.

3.5 Multiple, unflexible reporting templates and onesided communication

One of the most widespread complaints was about amount of reporting and the reporting templates provided by donors. The problem with these is twofold: lack of harmonization between donors and narrowness of the categories to be reported. Taken together, both of these point to insufficient flexibility on the side of the donors and a lack of understanding for the situation of the implementing organizations.

Bonnie: Another bad experience was: different donors coming with different templates making reporting very problematic and difficult and …donors don’t seem to understand that we [are] actually fielding, you know, a whole range of different people, not just them. They

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come with just their own kind of idea about everything, forgetting that we actually fielding 5, 6, 7, 8 others.

Another participant emphasized the amount of her working time that she spends writing reports according to the requirements:

Jabulile: And it’s a lot of work to do a report for, for SAAAP, PEPFAR, [the Department of] Social Development. As much as you need all these funders but it’s a lot [of work] because they want different things.

Pam: Ya!

Jabulile: So you are forever sitting on the computer doing reports all the time. And ama10 reports, they need to improve! … When you do reporting, you cannot do other things; you need to concentrate on your report, on the fact. So now, if you are funded by 4 to 5 funders, you must know you cannot be so excited [about this] because you need to report.

Pam: And you become an administrator! \(\text{FG3}\)

Closely connected to these diverse reporting requirements is the management of finances from different donors, each with their own requirements:

Jabulile: We have a finance officer for SAAAP, [a] finance officer for \(\text{unclear donor name}\)…, a finance officer for – I mean it’s crazy! Because this person cannot handle ama finances of 6, 7 Donors. It’s difficult. It’s not easy. And these are different bank accounts! \(\text{FG3}\)

Emma confirms that donor harmonization, one of the five principles agreed to by international donors in the Paris Declaration on Aid Effectiveness11 in February 2005, is not happening in practice, at least when it comes to harmonizing reporting requirements and financial management:

Emma: But even with the Paris agenda and that. We sometimes go to meetings in Pretoria with the EU Plus Group, which is the EU Member States, the representatives from the Embassies in Pretoria plus USAID, Canada, Japan and so forth, and there we’re getting funds at one stage from 3 or 4 of those countries, yet they have very separate and distinct reporting requirements. So while there might be this talk of alignment, in reality that’s not happening because we have all these separate ring fenced pots of money with their own cycle, time frame, their own reporting requirements and everything so you still

10 \(\text{ama}\) is a noun-prefix in Zulu grammar indicating plural.

have to do multiple reports, different times of the year, maintain 28
to 30 bank accounts, things like that and then in addition to those
bank accounts maintain X number of sets of books for each of those
accounts. . . . They might agree [that], “okay, we need to support
these types of interventions” or “we need to direct money towards
climate change” or towards AIDS or whatever, but they each like to
manage and control their money obviously separately, according to
the rules of their governments. 

In addition to multiple donors, recipient organizations are routinely faced with multiple
reports per year per donor, thus exponentially increasing the amount of reporting, as this
collection illustrates:

Winnie: The reporting process is quite onerous with some people. Even
SAAAAP, I have to say, they want quarterly reports, . . . which is
a lot of work when you've got a multitude of Donors. If you've got–

Edmond: They've actually gone to monthly now. It's online. It's monthly.

Winnie: Have they?

Edmond: Ya, it's monthly.

Winnie: Starfish\textsuperscript{12} also want monthly.

Edmond: Ya monthly. They all want monthly. \textsuperscript{FG2}

Given the amount of time that report writing consumes,\textsuperscript{13} it would seem plausible if
implementing organizations demanded that they write less reports or even none at all.
And indeed, the workshop participants agreed that it would be a tremendous improvement
for them if donors would adapt a single reporting framework so that they could submit
one comprehensive report to all donors.

However, the quantity of different reports and the frequency of reporting is not the sole
concern raised by the workshop participants. In fact, one of the focus groups agreed that
they would actually like to report more, but that but they were not allowed to do so:

Bhekabantu: I think another problem is this . . .: As we told you, that we have
to report in many different funders and then each funder wants the
specific not the overall work that you are doing. So we want to report
about the overall–

Jabulile: Everything!

Bhekabantu: Everything that we are doing. Not only the specific–

\textsuperscript{12}Starfish Greatearts Foundation
\textsuperscript{13}SAAAAP project officers, for example, routinely schedule 25 percent of their total working time for report
writing. In practice, they often work overtime until all reports are finalized.
We don't want to be– to report only for their funded items, we want to report about the overall work of our offices, you see. They must not limit us in reporting!

3.6 “We want to report everything!”

The complaint that donors require too many reports and that they do not provide sufficient space for reporting seems paradoxical at first, but the contradictions can be resolved if we understand that the argument is not just about the quantity of reporting but also about the quality:

Pam: I think funders also need to be more culturally sensitive in that because the Zulu nation is a nation of story,

Jabulile: Yeh!

Pam: and that is how you communicate, and it's good. I mean– And I only have to look one generation back and we sat and told our family stories.

Jabulile: Ya!

Pam: It's human! But at the same time, I benefit from filling in those templates because it makes me think. I also find sometimes you say the same thing in a different way and in another different way but at the same time it also makes you think. But to be able to tell is important and I think there can be space for that.

Jabulile: Yes, yes to express yourself.

Pam: Ya

Jabulile: And they will tell you are under-reporting, whereas there is no space to over-report!

Pam: Ya, ya.

Jabulile: And is there such a thing as over-reporting?

By suggesting that the very idea of “over-reporting” does not make sense, Jabulile evokes a notion of reporting, that is fundamentally different from what donors understand by the term. In a world where over-reporting makes no sense, reporting basically means sharing your experiences with others, telling others what happened, or—as Pam emphasizes—telling your story: the overall story, “everything that we are doing”. Donors, in contrast, just want to know about specific aspects. They criticise you if you don’t deliver on those aspects (under-reporting), and they don’t even give you a chance of deviating the other
way either (over-reporting). They make sure that they get exactly the information that
they expect, by limiting the amount of space that may used, either by refusing to accept
reports beyond a certain page-length, or by technically limiting the number of characters
that can be entered into an particular field in an online reporting form.

Pam, however, acknowledges that filling in templates has the advantage of making
you think differently about your work. She does not specify what kind of thoughts are
triggered, but the difference between filling in a template and telling a story is quite
clear: what makes a story a story is the thread that runs through it, the story line. It
creates a natural flow of events, as if one thing led to the next, and it forces the story
teller to be consistent and follow the course of events. Evidently, telling “the whole story”
always leaves out something too. In that sense, you can never tell the whole story. And the
narrator will often be unaware of all the things that are not being told, because leaving
them out feels natural. They were not relevant in the situation so they are not missing
from the story.

A reporting template, on the other side, is like a heedless listener who constantly
interrupts the story by asking ever new questions, often unrelated to what has just been
told. No wonder storytellers are annoyed when forced to enter a conversation with such
and interlocutor! But, as Pam mentions above, a dialogue partner can also encourage
reflective learning by pushing you to look at things from a different angle. Reporting
templates can open up opportunities for seeing things that might otherwise have been
overlooked, and hence remained untold. And in that sense, reporting templates could
even help you tell a better story.

What seems to be at stake here is not numbers or templates per se, but the relationship
between donor and recipient organizations. At the core of these complaints about report-
ing requirement is a demand for more balanced communication between the development
partners. The existing reporting templates induce a very one-sided form of communication
in which the donor asks certain predetermined questions and the recipient is required to
answer in a certain way. One extreme form of one-sided communication between donor
and recipient are number based reports. Several CBOs emphasized that such reporting
was meaningless to them and that they experience it as intrusive and disruptive of the
work of their organization:

Julia: And it’s numbers. Because lot of SAAAP money is coming from
America, so we've still got this numbers mentality. (...) And the same
with Starfish. A lot of Starfish money is coming from PEPFAR and they
require these numbers. They're meaningless, absolutely meaningless!
... It irritates me doing something which has no meaning. And then
just ticking up– It's– I'm a social worker by profession and what I see
in social work is, it's becoming a tick box profession. Which is why I
was glad to retire from it and I see this as being a tick box– You tick
the boxes– ... If we'd taken PEPFAR money we would have given
condoms [even if PEPFAR would not permit handing out condoms].
It would be– it wouldn't matter. We've always been quite devious. But
when it comes to this– the statistics they require, that was– that was
too intrusive. So it would destabilize the whole working processes in
the organisation. \textsuperscript{142}

Participants did not always agree about whether they wanted to abandon number based
reports entirely or whether they merely want to have a say in the construction of the
indicators to be measured (“When they develop i-reporting\textsuperscript{14} template, they must involve
us!”), but they did agree on the need to give much more space to narrative reporting.
However, the question remains why CBOs would want to spend additional time on writing
elaborate narrative reports.

The reason is quite straightforward: because a story elicits a sense of moral obligation
in the listener, in this case the donor, who will then be obliged to help:

Jubulile: You know what? Sometimes, if you tell the whole story, there will be
something that the donor will find out about the organisation, and
maybe say “how about you create a programme that will speak to
this problem, then I will fund it.” For an example where the child that
is raped by his cousins. Three of them. Everyday they sleep with this
child. This child is an orphan. When I approached her, she said “you
will not say anything to anyone unless you gonna take me away from
here.” I can’t take her away from there. I cannot accommodate her in
my house and there are no safety houses for cases like these. What
do I do? I need a funder to intervene and try to help me. What do I
do with this? Because I cannot take this child away from this home.
And if I say anything they will beat her up, they will do this, they will
do that. What can I do? So if I report about that, maybe a funder will
say, “I know a home where we can take this child and put it”, you
know? Things like that.

Pam: But would that be the role of the funder?

(…)

Jubulile: I’m saying, I’m making an example of saying that there can be chal-
genues that you might have which a funder can help you in other
ways because amafunders are well connected.

(…)

Pam: But why would funders be well connected and you would need– not
be well connected? Because you could have those same connections?

Jubulile: It depends! It depends! It depends on where you are. I am connected.
I have access to internet. I can intervene. … I have intervened. But I
can imagine somebody who– who has no access to anyone!

\textsuperscript{14}t- is a noun-prefix in Zulu grammar indicating singular. Can be understood here as a surrogate for the or a.
Pam: Yea.

Jabulile: What would they do? The only person you can communicate with is? Your Donor! [So you say:] “This is my challenge, this is what happens on the ground. What do I do? I've gone to all [government] departments, this is the attitude I have received and I have reached a dead end. And uwena [you] as a Donor you said you want to help me to reach my– my vision. Do you understand?”

Pam: I understand.

Jabulile: “So please assist me! I have this problem.” And then the person will go and say: “Did you try this? Did you do this?” Then you have somebody that you talk to. That's why I'm saying, I need mena15 with my funder, I need the support. We need to support each other!

Bhekabantu: I can agree with you. Same applies with our OXFAM, OXFAM Australia. We have similar– We have similar problem with them but recently they called us to a workshop and said: “So they have noticed that we have a lot of work that we are doing.”

Jabulile: Ya

Bhekabantu: So– But we only report about a specific work,

Jabulile: Yes

Bhekabantu: So [they said] “let us now change to report about the overall”, because that will help OXFAM maybe to pick another

Jabulile: Yes!

Bhekabantu: activity that

Jabulile: Yes!

Bhekabantu: they will fund, you see.

others (signal agreement)

Bhekabantu: That is why now, at OXFAM, we report about the overall. pg3

The reason, then, why most donors do not want to hear the stories that the CBOs want to tell is not just that they want to keep things simple and focus on results but that they want to evade the moral responsibility that these stories would inflict upon them. The donor’s reporting template is a tool that allows them to filter the information that will

15 mena is zulu for me/oneself. In this context I understand “mena with my funder” as meaning “direct access to my funder” or “face-to-face encounters with my funder”.
reach them and that will have to be processed by the organization. By blocking the stories about the heartbreaking suffering outside the confines of their particular programme they evade the responsibility to help more than they can. Differently said: by focussing on results they avoid being overwhelmed by the scope of poverty that they cannot hope to address. Reporting templates and statistics therefore work to preserve a sense of agency among donors and to avoid images of failure which could call the agency’s existence into question.

This interpretation is supported by the fact that CBOs welcome donor visits (as long as they are not overtly policing or disrespectful) “because there’s a huge gap in understanding between donors and us on the ground and we felt that with donors coming out to our deep rural areas and actually visiting us on site and seeing the conditions under which we work and the project operates, it improves understanding. We’ve had some real breakthroughs”.

Later on in this plenary session, another participant makes this connection between site visits and “reporting everything” explicit:

Matadze: I just want to support what they are saying when they say they want to report the overall [situation] so that if maybe there’s something that the donor can find interest in and started to fund it. . . . The last [time] when there were a visit to our organisation, when they [the donors] reach[ed the] organisation, [they realized that] all along they were having money for food security but they didn’t understand what is food security. But the time they come to our organisation to do [the] site visit, then, when we started to explain to them, when they started to see what food security means, then they started to realise “okay, all along they were having the budget for food security, then they have to request [from their back-donor] so that they can shift it to somewhere [i.e. some other type of activity], because they didn’t understand what they mean when they say food security.” That’s why it is very much encouraging to report the overall. Because at the end, they may have similar thing, they can have budget for something but they don’t understand. Then [they] find that the [implementing] organisation, [an]other organisation is doing [exactly] that, then they can go there, then [they] can understand more better, then they can start funding.

In some instances, the donor representative may even be able to provide direct feedback by drawing on previous experiences:

Nomusa: Some of our funders are very good, like: I like being visited and you see for yourself what is really happening. . . . Some of them do site visits, see what we do and also share with us. Maybe it will be somebody representing the funder who will be maybe having an experience in a certain whatsoever, so then they will share with us: “oh okay, I was once working for a certain– then this is . . . how we
were addressing these problems.” So they share with us. And secondly, some of them even give that encouragement and even praising us for our work. They really– We are– They are impressed with what we are doing. Just to get that feedback, it helps us to– it’s encourages to maybe to do more. FG2

To summarize, the problems that were voiced in the workshop with regards to reporting can be understood in terms of results reporting versus problems reporting: while donor agencies want to limit reports to pre-defined result and have found ways to do so, implementing organizations want to tell the whole story, including new problems which may lead to more donor assistance in the future. More generally speaking, the main issue that the workshop participants have raised is the lack of dialogue and they have suggested various practices that could (and in some cases already do) facilitate dialogue between donors and recipients.

3.7 Inaccessibility of decision-makers

Closely related to the lack of dialogue is the problem of inaccessibility of those who decide and design development programs. As mentioned above (page 13), both SAAAAP and its CBO partners find it difficult, if not impossible, to reach decision-makers on the side of international donors in order to convince them to change certain elements of “the system”.

Emma: The other thing is that, you know, if we challenge the other donors, the problem is getting access to the right people. Because the people from these foreign donors that are here, they’re not the policy makers and things like that. They might have some say in saying, okay, let’s choose to fund (name of organization) over SAAAAP or SAAAAP over some other organisation, but the criteria and the reporting requirements and the delays and the remittance of funds, all those things are controlled elsewhere. So it’s very difficult– WS3

Julia: We’ll comply with that what we have to comply with even if it doesn’t make any sense. Because we know that they are being pushed from beyond them. But if it’s– if it’s something that I really disagree strongly with, then we just won’t take the money. FG2

The problem of not having access to decision-makers does not just apply to the “big” decisions regarding the overall donor programmes and policies. Participants also frequently mentioned that they would like to be consulted when apparently technical elements of the partnership, such as when reporting templates or capacity training courses, are designed and decided (see also page 25). Here are some quotes that illustrate CBOs call for more dialogue:
Bonnie: You know, . . . we are extremely busy. I’m sure all of us are, you know—Every minute of every day is— it needs to be well used. And we will often get called to workshops [for] like 3, 4, 5 days where it’s [about] areas where we actually feel . . . [that] we [are already] doing okay in, you know? But it means 3 of our staff have to come out of the office and to a conference or workshop for 3 or 4 days, where . . . it would have been like maybe tenth on our list of priorities, you know. So I think it would be really helpful if we could have more input into what kind of capacity building donors feel we need. It would be really helpful if we could have a stronger voice in that area. FG4

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Jabulile: When the templates for reporting for SAAAP is developed, we wish we could be there as report writers so that we can tell SAAAP exactly how we want it to be done and they can tell us what is expected from us. WS2

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Jabulile: That the funders do not involve us when they are developing contracts.

Bonnie: Ya, some don’t do that. So there’s a problem. WS2

The inaccessibility of international donors seems to reflect an increased centralization of decision-making in donor agencies and a reduced willingness to engage with partner organizations. Emma Peters recounts how the interaction with donors worked two decades earlier:

Emma: I remember, in the old days, I was working for projects with the South African Council of Churches and they had the round table. So all of the [donor] people would sit there and you would say, “we need 20 million rand. How much can you give?”, you know, just that . . . it was all literally put into one pot. And they were very accommodating and you could say that “these dates don’t suit us, we [are] going to do it like that.” But, of course, those days are long gone. WS3

This practice of sitting around a table with donors was still possible even about one decade ago:

Emma: And even when TAC . . . started raising for money, Mark [Heywood] would get everybody in a room . . . and then they would talk. And then each person would say “SIDA how much can you give us?”—“Okay, I want ten from you” . . . and then they would give that. But of course those days are gone. And then, also, they would . . . report:
They just go and have like a powerpoint or a clipboard, I mean a flipchart, and say “Oh well, this is how we spent the money” etc. But of course they can’t report like that anymore, but at one stage it was semi-permissible, also depending on who you were, you see. And the profile of that organisation was such that they could do it and they could call all their donors together at one meeting.

Whether or not the TAC was an exceptional case, Emma’s account reflects a form of interaction between donor and recipient organizations that is in stark contrast with today’s practices in which donor representatives “on the ground” have considerably less decision-making power (see also page 28).

The inaccessibility of decision-makers seems to have as a consequence, that recipient organizations tend to put less resources into advocacy work that aims to put pressure on decision-makers and instead invest in proposal writing and similar activities in order to adapt to the available funding schemes. When one participant suggested that what may be needed to influence decision-makers is civil society organizations joining forces and producing collective demands, Emma suggested that it may be more promising to find money elsewhere:

Shamita: If we also wanting to raise our voice internationally, let’s be specific who are wanting to raise our voices with. Let’s look at who are the funders who are remaining in our country, and maybe that’s where we need to start. And in terms of where the decisions are being made: (name of organization) has become a linking organisation for the International AIDS Alliance, which has got, you know, a input at forums such as the Global Fund, such as USAID, in those places that we’re talking about. So if we are— If we’re saying that, as this group, we are going to produce a paper or whatever and we want help with advocating with those donors, then let’s do that! And there is a way of getting it to there. And I mean there’s ways in which we can do it, but I’m feeling a bit frustrated that we are not saying this is the person that we— oh, this is the the agency that we want to target and this is what we want to tell them, and this is how we hoping it’s going to change, and that next month we’ll be talking, you know, we’ll be having an update on how far we are. So—

Emma: I mean, for example, I understand that but I could spend a huge amount of energy on that and actually get nowhere.

Shamita: (We’re) two!

Emma: So sometimes I’m gonna say: do I actually try and find alternative sources of money and direct my energy there, [rather] than hit my head against a brick wall, in the sense that I don’t— personally I don’t think they’re going to change or listen to what we say. So even if we go
to the highest levels, I don’t think they’re going to listen to what we’ve
to say. So I would rather possibly look slightly for new opportunities.
But I’m not saying that uh— So it’s it’s— It’s deciding [whether] we’ll
say: “okay well, maybe we’ll dedicate somebody to to to pursue this
and to look at this.” And uhm, also to have conversations with people
that are of— are– uhm some of the ambassadors and people from the
embassies that we’ve dealt with and say: “look, is this– is this– is
this viable? Or am I just uh barking up at the wrong tree? Do you
realistically think that we could in any way reverse or change this
process?” As I said with the Dutch leaving . . . we had the likes of
Gustav Wolvaardt, Helen Rees, François Venter, Mark Heywood, and
they couldn’t convince the Dutch to do otherwise, you see, because
the decision had already been made in the parliament in Holland,
and stuff like that. 

These two statements illustrate well the crossroads at which South African civil society
organization currently find themselves: should they follow the path of collective action
and political contention that South African civil society is known for; or should they follow
the road of marketization in which they are non-profit service providers who cannot afford
to invest resources in risky advocacy work while competing with other organizations to
sell their services.

When it comes to influencing government departments in South Africa, one might
expect that these decision-makers would be more easily accessible. However, this seems
not to be the case in practice:

Emma: Last year, I spend a whole year with the [provincial] government,
going to ⟨city where government resides⟩ at the drop of a hat, going
here, there, everywhere, spending hours and months on stuff and it’s
all come to zero . . . Also they took us on a long road to nowhere.

Paul: Is this Government?

Emma: Yes, promising us the world! Here there, I’ve got plans like that,
arhitectural drawings, model designs of buildings and things that
were gonna– infrastructure projects that are meant to happen in the
province. Not one brick has been laid.

(Laughter)

Emma: But, you know, . . . So you can spend months and months and months
and months and working on these things! 

The reason for the inaccessibility here is evidently a different one. As we shall see in the
next section, government departments are described by the workshop participants as
disorganized, incompetent, and arrogant.
3.8 Disorganization, incompetence, and arrogance

Although the intention of the workshop organizers was to discuss interactions with international donors, many participants used the opportunity to also air their experiences with the departments of the South African national and provincial governments as funding bodies. One problem seems to be, as already alluded to above, to access the right person or to get a response from them, even at the operational level:

Bonnie: We can’t get the answers from our local Department of Social Development. We’ve tried for months, I mean, it’s just getting worse, if anything! ws3

Jabulile: There’s just no relationship between us and the Department of Health. And the Department of Health wants nothing to do with NGOs.

Others: Mhm.

Jabulile: In terms of supplying with home based care kits, gloves, condoms. They want nothing to do [with us]. If you come in and you are an NGO, they say: “No, we have nothing to do with amaNGOs.” So it’s a big challenge to us. ws3

But even when communication with government officials takes place, the workshop participants describe it as characterized by incompetence, arrogance, and disorganization. While some participants also mentioned that there were some very competent and cooperative officials, the very clear overall assessment of collaboration with government departments, especially the Departments of Health and of Social Development was very negative. The following quotes illustrate some of the problems that were reported during the workshop. They include last minute summons to meetings, an atmosphere of distrust and almost mischievous control, disrespect, paired with unclear and changing instructions.

Bonnie: We’re sitting with Department of Social Development and we are totally and utterly confused because we’ve had, you know, ten different people giving us ten different sets of instructions, and we still don’t know from month to month exactly what documentation we’re meant to be submitting, exactly what our budget is, we still haven’t been able to get a reply from anybody about it. So I’m wondering if, you know, the focus is not really more with local Government Departments than any other donors because that seems to be what the main gripe is and for us. ws3

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Nomusa: I can say [that] this is Government . . . they don't meet deadlines and at the end of the day when . . . you need to be paid, they start asking silly questions: “How was this 30 Rand spent?”—“It was for bread.”—“How much for each for bread?”—“It was this.”—“Okay, the receipt”

Bonnie: So true, I promise you!

Nomusa: “No the receipt is there.”—“No, it’s not stamped.”—“We bought from the tuckshop, from a spaza shop, which is very close to us rather than spending money taking a taxi to [name of place] which will cost you 12 Rand. . . . But these ones [the local shops], they can’t afford to give you this [receipt] and [so they] sign ukuthi (=that) I’ve bought 3 bread. And we have saved money for [with] that!”—“Ai! We don’t need that! Eh, we are not working like that! We need this.”—“We’ll send it.” As if they always look for wrongs!

Bonnie: Yes

Nomusa: They look for wrongs! FG4

Peter: When they come to visit, they are looking for faults. They don’t appreciate or commend the good work that we are doing, they will rather look for the faults and start blaming. FG1

Bonnie: I think communication is very difficult with some donors and I– we continually get the impression that they are very disorganised. ( . . . ) It’s just a complete and utter lack of understanding, and not even understanding [but] respect for us and what we’re doing, and the business of our work and the importance of our work. I think they have this idea that “oh, you’re out there! Rural development people are not as important as us in the city with all these papers around us and, you know, smart clothes and so forth.” And they just don’t take us seriously and the importance of our work. I mean, it’s no– it seems to be no problem to say: “Well, you know, all of you: come tomorrow! Whatever meetings you’ve got in the community just cancel them!” And it shows a complete lack of respect for community members ( . . . ) We have other situations where they will literally tell us they coming to visit us tomorrow, and you get the feeling that they– . . . and I’m referring especially to government departments in South Africa, Department of Social Development. They are almost on a mission to, like, undermine us or catch us out like, you know, catch us
with our pants down. And they say that. They say: “we can come any
time, you know, any time! Inspectors can come from the head office!”
And it’s like they’re trying to make us fearful and they’re trying to
make us like shake and feel like we are, you know–

(...) 

Facilitator: So you think that they– there is a strong element of lack of trust of
you? Why are they operating like that?

Bonnie: And the strong element of intimidation. They are, they [are] very self
important and they, you know– I don’t know what your experience
is of government departments, but they will come, you know, out to
our rural areas, like, in high heel shoes with wigs and gold teeth and
fancy dresses and they like “ooh”, you know, and it’s like Just the
moment they walk in, they are ten years, you know, ten times more
important than any of us. We’re just, you know, rural, on the ground,
doing work. And it’s the whole attitude they come with and– ehh! I
don’t know! It’s um– (. . .) It’s a very top down approach. 

Bonnie: I think most of us we’re having challenges with the government
departments, Department of Social Development and Department of
Health in terms of, you know, Donor relations.

Given the capacity problems of many government departments, the imperious and often
hostile conduct of government officials can also be interpreted as a defence mechanism
to forestall potential criticism that might undermine government authority. If officials
perceive NGOs and CBOs as a potential threat, intimidating them may appear to be an
effective way of managing that threat. This appears to be a matter worth further inquiry,
especially if one takes into account that many international donors explicitly request
applicants to their programs to demonstrate collaboration with government.

4 Summary and some conclusions

Both positive and negative experiences with donors were discussed in the workshop
and, in most focus groups, the items on the positive list mirrored the items on the
negative list. Since the aim of the workshop was not to name and shame particular donors
while praising others, the general discussion focussed mainly around the problems and
possible ways to solve them. This report reflects the participants’ concerns with negative
experiences although it does mention positive examples. Neither the workshop nor this
report can be taken as a precise reflection of how frequent various problems occur across

\footnote{Although someone jokingly suggested to create an award for the best and worst donors of the year.}
South Africa. The aim has been to reveal the nature of the problems and to identify possible causes. This report is, in other words, about the quality of the problems, not about their quantity.

The seven broad issues and problem areas that have been identified in the sections above can be grouped into two (albeit interrelated) sets: the first four relate mainly to available funds and how they are managed and the last three relate to the communication between donor and recipient organizations.

4.1 Funding related problems

In section 3.1, we saw how too narrowly defined funding programmes—which are increasingly designed as service level agreements rather than grants—often diverge the attention of CBOs away from what they originally set out to do, either by funding other activities or by funding only specific aspects of the ongoing work while leaving others unfunded and hence neglected. The tension here seems to be between helping specific communities (as CBOs do) and tackling specific problems (as donors do).

Section 3.2 revealed how increased reporting requirements systematically lead to funds being disbursed late, causing implementing organizations to halt their work until the money arrives that allows them to pay salaries and buy material. It became clear that what we are witnessing is a transfer of risk from the donor to the implementing organizations.

As we saw in section 3.3, this transfer of risk is also reflected in the design of contracts which tend to be increasingly short term (6–12 months), even if the funded program or project is planned for a longer period of time. This allows donors to terminate partnerships at their discretion, thus leaving recipient organizations as well as their employees in a state of constant insecurity. This seems to foster an atmosphere of distrust, both between donors and recipients (who have been promised a long term partnership which was then terminated prematurely), between CBOs and their employees (who have worked but do not get paid) and between recipients and beneficiaries (who may not always understand that the reason why an organization suddenly disengages with the community is that funding has terminated or changed focus).

The fourth funding-related problem was discussed in section 3.4: the reluctance of donors to provide core funding or to fund overhead costs (although some donors will gladly fund positions for data capturers). Implementing organizations experience this not only as a form of exploitation but also as disrespect for their work. The bottom line seems to be that recipient organizations have to invest in profit generating activity that is entirely alien to their core business, for example by providing services to local business, using their staff and volunteers as cheap labour in order to offer competitive prices.

4.2 Communication related problems

The format of reports that recipient organizations have to submit in return for funding was of central concern for most of the participants. They not only criticized the frequency in which they have to submit reports and the incompatible reporting formats among different donors, but even more vigorously the quality of these reports. They took issue
with an exaggerated interest in numbers and the limited space that reporting templates provide for “over-reporting” of issues unrelated to the particular project. In section 3.5, narrow reporting templates were interpreted as a filter that allows only anticipated information (results) to reach the donor’s ear, while blocking broader narratives from the communities (problems), thereby effectively denying responsibility for the problems they cannot or are unwilling to solve.

The second communication related type of problem was the inaccessibility of decision-makers. As described in section 3.7, there was a degree of resignation, not only among the CBOs but also at SAAAAP that efforts to try and influence the design of donor programmes (or even to change seemingly less political decisions such as the design of reporting templates) are doomed to fail, because decisions are increasingly made at the headquarters (and parliaments) in the North rather than by local donor representatives.

Taken together, these two communication problems can be summarized as a significant lack of dialogue between the development partners. Two causes for this seem to be the use of narrow reporting templates and the centralization of authority within donor agencies.

The third and last problem that became evident in the workshop relates mainly to South African government departments as funders. In section 3.8, participants gave vivid accounts of the arrogant and often incompetent and yet controlling conduct of government officials who do not seem to take CBOs serious as respectable service providers. The most irritating aspect of collaborations with various Departments of Health and of Social Development was reportedly that they do not give clear instructions as to what they expect implementing organizations to do but still try to control their work thoroughly.
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